

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 98-312-C – ORDER NO. 98-810

OCTOBER 21, 1998

IN RE: Application of United States Telecommunications,) ORDER *✓ MR*
Inc. d/b/a Tel Com Plus for a Certificate of Public) APPROVING
Convenience and Necessity to Provide Resold) CERTIFICATE
Local Exchange and Intrastate Interexchange)
Telecommunications Services in South Carolina.)

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the Application of United States Telecommunications, Inc. d/b/a Tel Com Plus ("Tel Com Plus" or "Company") for authority to provide both local exchange and long distance telecommunications services within the State of South Carolina. The Application was filed pursuant to S.C. Code Ann. §§ 58-9-280 and 58-9-520 and the Regulations of the Commission.

By letter, the Commission's Executive Director instructed Tel Com Plus to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Tel Com Plus complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC"). Prior to the hearing, counsel for SCTC filed a Stipulation in which Tel Com

Plus stipulated that it would only seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until Tel Com Plus provided written notice of its intent prior to the date of the intended service. Tel Com Plus also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Tel Com Plus agreed to abide by all State and Federal laws and to participate to the extent it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to Tel Com Plus's Application provided the conditions contained in the Stipulation are met. At the hearing ON ITS Application, Tel Com Plus offered the Stipulation into evidence. The Stipulation is approved and attached hereto as Exhibit 1.

A hearing was commenced on October 8, 1998, at 12:00 p.m., in the Commission's Hearing Room. The Honorable William Saunders, Vice-Chairman, presided. Tel Com Plus was represented by Faye A. Flowers, Esquire. Florence P. Belser, Staff Counsel, represented the Commission Staff.

Joseph Cillo, Vice President for Compliance of Tel Com Plus, appeared and offered testimony in support of Tel Com Plus's application. The record reveals that Tel Com Plus is corporation organized under the laws of the State of Florida. According to Mr. Cillo, Tel Com Plus proposes to offer residential local exchange service and interexchange telecommunications services in South Carolina. Mr. Cillo explained that Tel Com Plus possesses the technical, financial, and managerial resources and abilities to provide interexchange and local exchange telecommunications services. Mr. Cillo stated

that the management team of Tel Com Plus is composed of individuals who have significant experience in business generally and telecommunications specifically.

Further, Mr. Cillo stated that Tel Com Plus has adequate financing and financial ability to provide the services which it seeks to provide. Mr. Cillo testified that Tel Com Plus possesses sufficient assets to support expansion into South Carolina and further stated that as a reseller, Tel Com Plus would not incur significant expense to serve the South Carolina market. Mr. Cillo also stated that Tel Com Plus has the technical expertise to provide the services for which it seeks authority. To demonstrate the technical wherewithal of Tel Com Plus, Mr. Cillo stated that the Company is authorized to provide service in eight states with an application pending in one other state, and that Tel Com Plus is presently delivering service in six states.

Mr. Cillo offered that Tel Com Plus's entry into the telecommunications industry in South Carolina will serve the public interest by providing economic, efficient, and high quality local and long distance services using existing facilities. Mr. Cillo also testified that approval of Tel Com Plus's application would not adversely impact affordable local exchange service, and no party of record offered any evidence that the provision of local exchange service by Tel Com Plus will adversely affect local rates.

Mr. Cillo testified that the Company would operate in accordance with the Commission rules, regulations, guidelines and Commission Orders. Mr. Cillo also stated that Tel Com Plus would support universally available telephone service at affordable rates and that the provision of local service by Tel Com Plus would not adversely impact affordable local service. Mr. Cillo specifically stated that the services it will provide will

meet the service standards of the Commission. Additionally, Mr. Cillo explained Tel Com Plus's services, customer service operations, and marketing procedures.

After full consideration of the applicable law, the Company's application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Tel Com Plus is a corporation organized under the laws of the State of Florida.
2. Tel Com Plus wishes to provide local exchange services and interexchange services within the State of South Carolina.
3. The Commission finds that Tel Com Plus possesses the technical, financial, and managerial resources sufficient to provide the service requested.
4. The Commission finds that Tel Com Plus's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. § 58-9-280(B)(3) (Supp. 1997).
5. The Commission finds that Tel Com Plus will support universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280(B)(4) (Supp. 1997).
6. The Commission finds that Tel Com Plus will provide services which will meet the service standards of the Commission. S.C. Code Ann. § 58-9-280(B)(2) (Supp. 1997).
7. The Commission finds that the provision of local exchange service by Tel Com Plus "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) (Supp. 1997).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Tel Com Plus to provide competitive intrastate local exchange services in South Carolina, subject to the terms of the Stipulation between Tel Com Plus and SCTC. Tel Com Plus is also authorized to provide intrastate interexchange service in South Carolina by providing intrastate interLATA service and by originating and terminating toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.
 2. Tel Com Plus shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters.
 3. The Commission adopts a rate design for Tel Com Plus for its long distance services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).
- With regard to its long distance services rates, Tel Com Plus shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Tel Com Plus shall file its proposed rate changes, publish its notice of such

changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. § 58-9-540 (Supp. 1997).

4. If it has not already done so by the date of issuance of this Order, Tel Com Plus shall file its revised maximum long distance tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. Tel Com Plus is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. Tel Com Plus shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Tel Com Plus changes underlying carriers, it shall notify the Commission in writing.

8. With regard to the origination and termination of toll calls within the same LATA, Tel Com Plus shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. Tel Com Plus shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

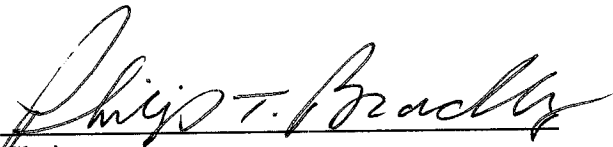
Tel Com Plus shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

11. Tel Com Plus shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition. Further, Tel Com Plus is directed to obey and operate in compliance with

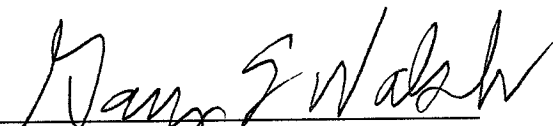
the Rules and Regulations promulgated by the Commission, unless a Rule or Regulation is specifically waived by the Commission.

12. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME

FEI NO.

ADDRESS

CITY, STATE, ZIP CODE

PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR
12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.
- * THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF
CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING
_____.
- * THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT
OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS
METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3
ABOVE).

SIGNATURE

NAME (PLEASE TYPE OF PRINT)

TITLE

DOCKET NO. 98-312-C - ORDER NO. 98-810
OCTOBER 21, 1998
ATTACHMENT B

**INFORMATION OF THE AUTHORIZED UTILITY
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission
the name, title, address, and telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

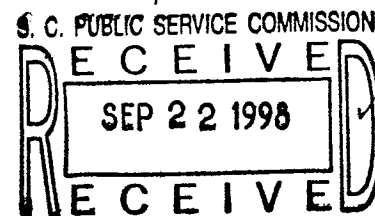
This form was completed by

Signature

If you have any questions, contact the Consumer Services Department at 803-737-5230



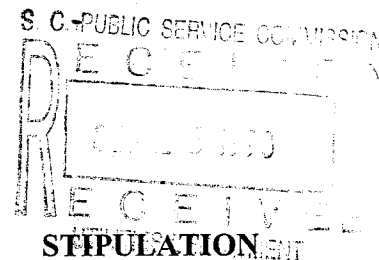
POSTED
NR/9-23-98



BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 98-312-C

Re: Application of United States Telecommunications, Inc. d/b/a)
Tel Com Plus for a Certificate of Public Convenience and)
Necessity to Provide Resold Local Exchange and Intrastate)
Interexchange Telecommunications Services in South Carolina)



The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and United States Telecommunications, Inc.d/b/a Tel Com Plus ("Tel Com Plus") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, the necessity for SCTC's intervention in this matter is avoided and SCTC withdraws its opposition to Tel Com Plus Application. SCTC and Tel Com Plus stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Tel Com Plus, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Tel Com Plus stipulates and agrees that any Certificate which may be granted will authorize Tel Com Plus to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Tel Com Plus stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Tel Com Plus stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Tel Com Plus provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Tel Com Plus acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Tel Com Plus stipulates and agrees that if, after Tel Com Plus gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then Tel Com Plus will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Tel Com Plus acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed

service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Tel Com Plus agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Tel Com Plus hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 22nd day of September, 1998.

United States Telecommunications, Inc.
d/b/a Tel Com Plus

Jane A. Flowers
Attorney for United
State Telecommunications, Inc.

South Carolina Telephone Coalition:

Margaret M. Fox
M. John Bowen, Jr.
Margaret M. Fox
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, South Carolina 29201
(803) 799-9800

Attorneys for the South Carolina
Telephone Coalition